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# Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period March 2021

Released 19/05/2021

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## Key statistics

In March quarter 2021 the seasonally adjusted WPI:

- Rose 0.6% over the quarter and 1.5% over the year.
- Also rose 0.6% in the private sector and 0.4% in the public sector.

## What's new this quarter

This issue includes:

- An update for the Labour Price Index with information for March quarter 2021.

## Wage Price Index (WPI) Total hourly rates of pay excluding bonuses

	Dec Qtr 2020 to Mar Qtr 2021 % change	Mar Qtr 2020 to Mar Qtr 2021 % change
Trend(a)		
Australia	na	na
Private sector	na	na
Public sector	na	na
Seasonally Adjusted(b)		
Australia	0.6	1.5
Private sector	0.6	1.4
Public sector	0.4	1.5
Original		
Australia	0.5	1.5
Private sector	0.5	1.5
Public sector	0.4	1.5

a. See Interpretation of index numbers, Trend estimates on the Methodology page.

b. See Interpretation of index numbers, Seasonally adjusted indexes and Seasonal analysis on the Methodology page.

## Changes due to COVID-19

### Suspension of the trend series

The Wage Price Index trend series have been suspended from June quarter 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.

### Measuring the Wage Price Index during the COVID-19 pandemic

The ABS published an article on 23 July 2020 ([Measuring the Wage Price Index during the COVID-19 pandemic \(/articles/methods-changes-during-covid-19-period\)](#)) explaining the impact of COVID-19 on the measurement of the WPI in June quarter 2020.

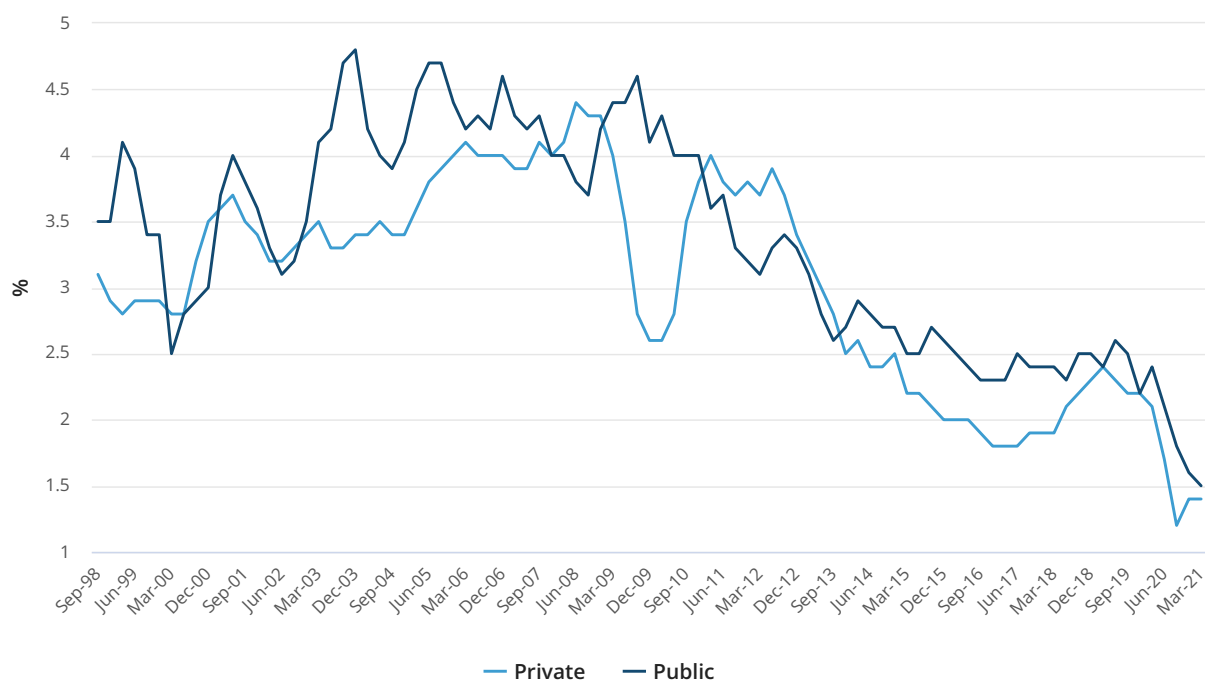
Wage subsidies (JobKeeper) and payroll tax changes fall outside of the collection scope of the Wage Price Index.

## Wage growth by sector

Through the year to March quarter 2021, seasonally adjusted:

- Private sector rose 1.4%.
- Public sector rose 1.5%.

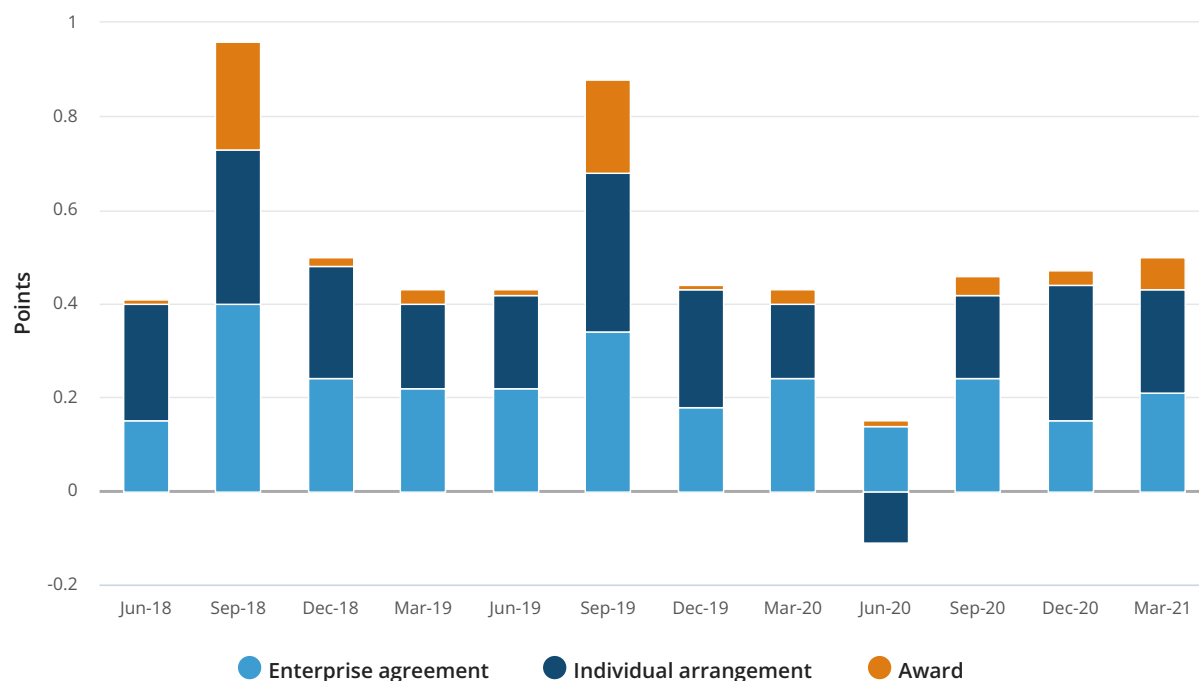
### Annual changes, seasonally adjusted, 1997 to 2021



The private sector remained at 1.4% for the second quarter in a row following a September quarter 2020 low. The public sector recorded the lowest annual rate since the commencement of the series.

## Drivers of wage growth

## Contributions to wage price index, by method of setting pay



Growth in wages over March quarter 2021 was mainly influenced by regular scheduled enterprise agreement increases, salary reviews for jobs paid by individual arrangements, and a proportion of modern awards receiving increases as a result of the Fair Work Commission (FWC) Annual Wage Review 2019-2020 decision.

Industries experiencing improved business conditions saw employers revisit wage reviews for jobs paid by individual arrangement that had been placed on hold during the peak of the pandemic.

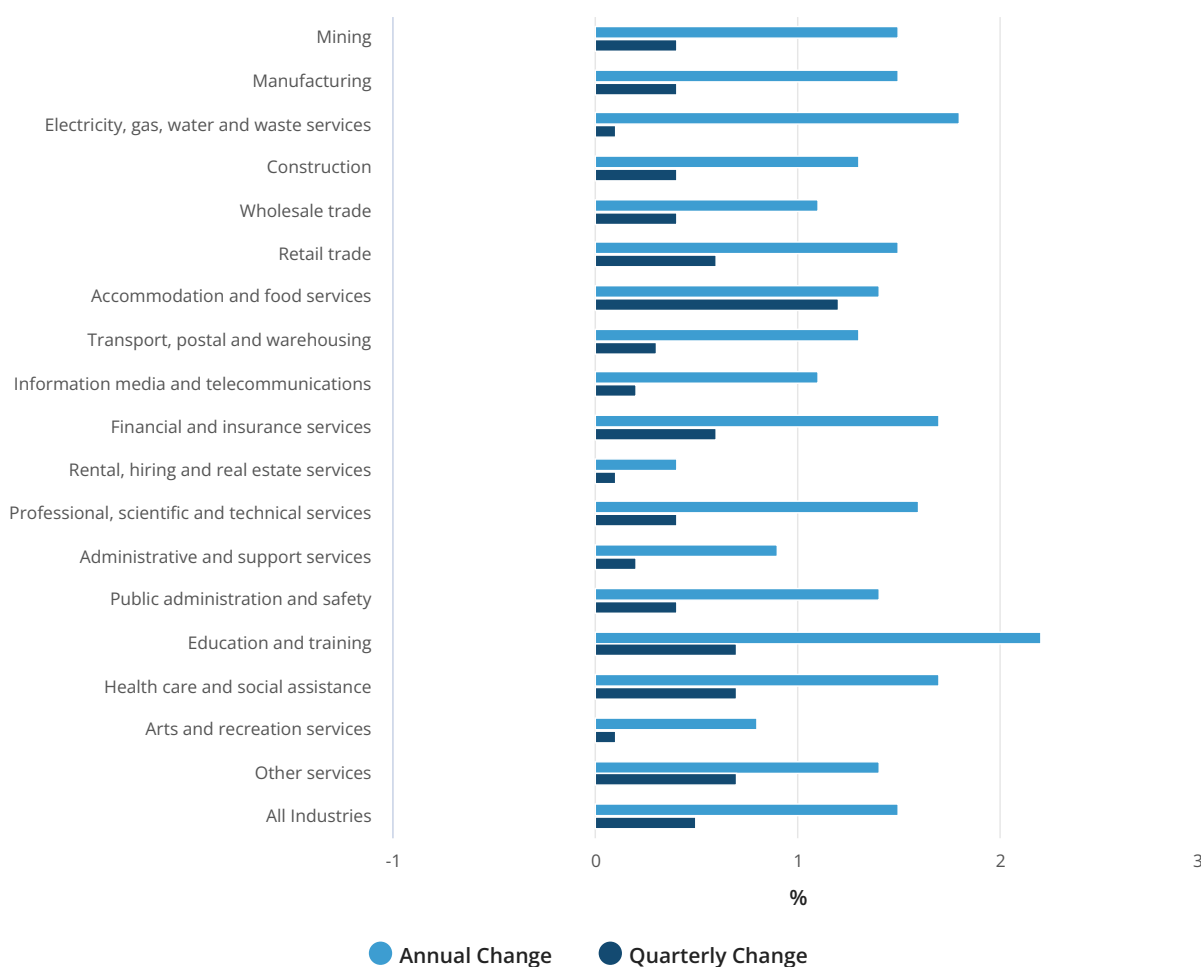
The FWC phased implementation schedule of award increases saw the final group of awards (accommodation and food services, retail trade, arts and recreation, aviation and tourism industries) receive scheduled increases in March quarter. The shift in timing of these award increases, from a regular September quarter, has dispersed the influence these jobs have had on quarterly growth across the September, December and March quarters.

## Wage growth by industry

Original estimates:

- Accommodation and food services recorded the highest quarterly rise of 1.2%. The main driver of the industry's wages growth were increases to award and award-reliant jobs influenced by the FWC decision.
- Electricity, gas, water and waste services, Rental, hiring and real estate services and Arts and recreation services each recorded the lowest quarterly rise of 0.1%. The Rental, hiring and real estate services industry also recorded the lowest annual rise of 0.4%.
- Education and training recorded the highest annual rise of 2.2%.
- All industries recorded lower annual wage growth than the year before.

## Annual and quarterly changes, original, total hourly rates of pay excluding bonuses - industry



## Wage growth by states and territories

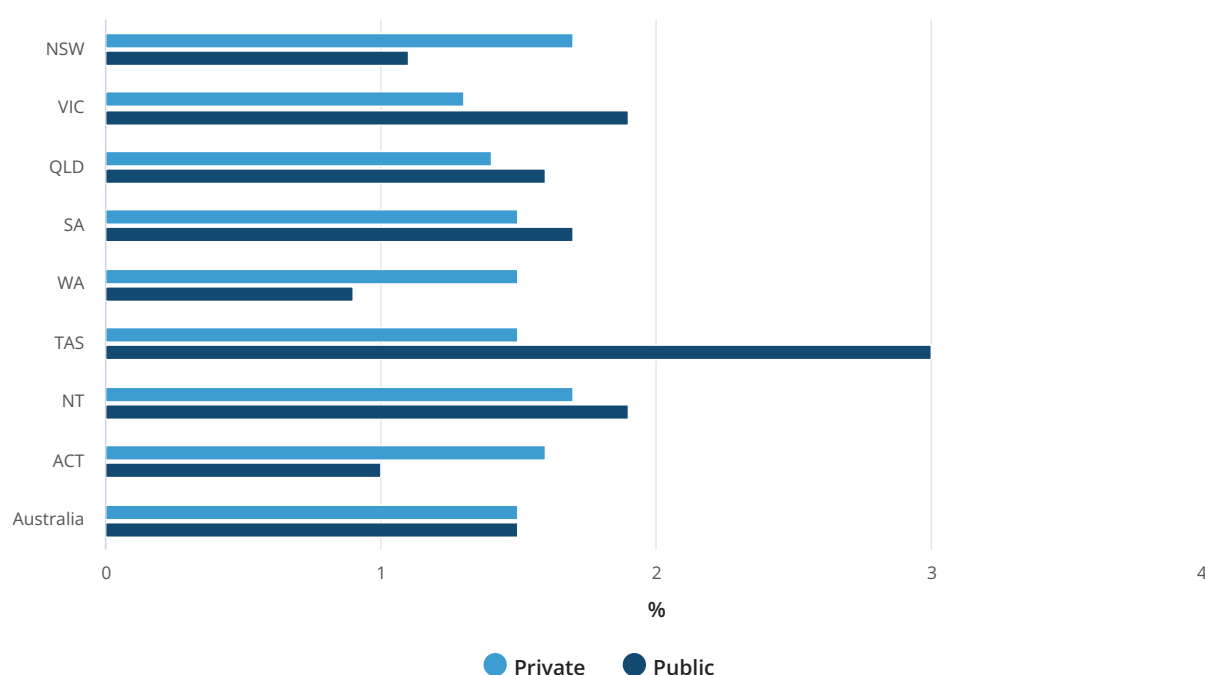
Original estimates:

- Tasmania recorded the highest quarterly rise of 0.8%, with wage growth mainly driven by the public sector, contributing to the highest annual wage increase of 2.0% across states and territories.
- Queensland, Western Australia and the Australian Capital Territory recorded the lowest

quarterly wage index rise of 0.4%.

- The Australian Capital Territory recorded the lowest annual rise of 1.3%, with lower public sector growth influenced by wage deferrals and lower increases limiting annual wage growth for the state.
- All states and territories recorded lower annual wage growth when compared to March quarter 2020.

## Annual change, original, total hourly rates of pay excluding bonuses - states and territories



## Data downloads

### I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

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Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

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[124.5 KB]

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Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

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[87 KB]

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Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

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[127 KB]

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Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

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[86.5 KB]

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Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

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[126.5 KB]

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Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

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[86.5 KB]

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Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

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[127.5 KB]

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Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

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[213.5 KB]

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Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[⬇ Download XLS](#)

[407.5 KB]

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Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

[↓ Download XLS](#)

[76.5 KB]

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Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

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[104.5 KB]

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Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

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[87 KB]

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Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

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[128 KB]

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Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

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[213.5 KB]

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Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

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[408.5 KB]

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All WPI series: original (quarterly index numbers)

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[335.5 KB]

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All WPI Series: original (financial year index numbers for year ended June quarter)

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[271 KB]

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All time series spreadsheets

[↓ Download ZIP](#)

[952.92 KB]

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Data cubes - 63450. Distribution of expenditure on wages, wage price index, Australia

[↓ Download XLSX](#)

[153.45 KB]

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## Previous catalogue number

This release previously used catalogue number 6345.0.

## Using price indexes

### Price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices (Indexation Clauses).

[Use of Price Indexes in Contracts \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts) sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

### Frequently asked questions

The [Wage Price Index FAQs \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs) page has answers to a number of common questions to do with price indexes and the Wage Price Index, in particular.

## Methodology

[Wage Price Index, Australia methodology, March 2021](#)